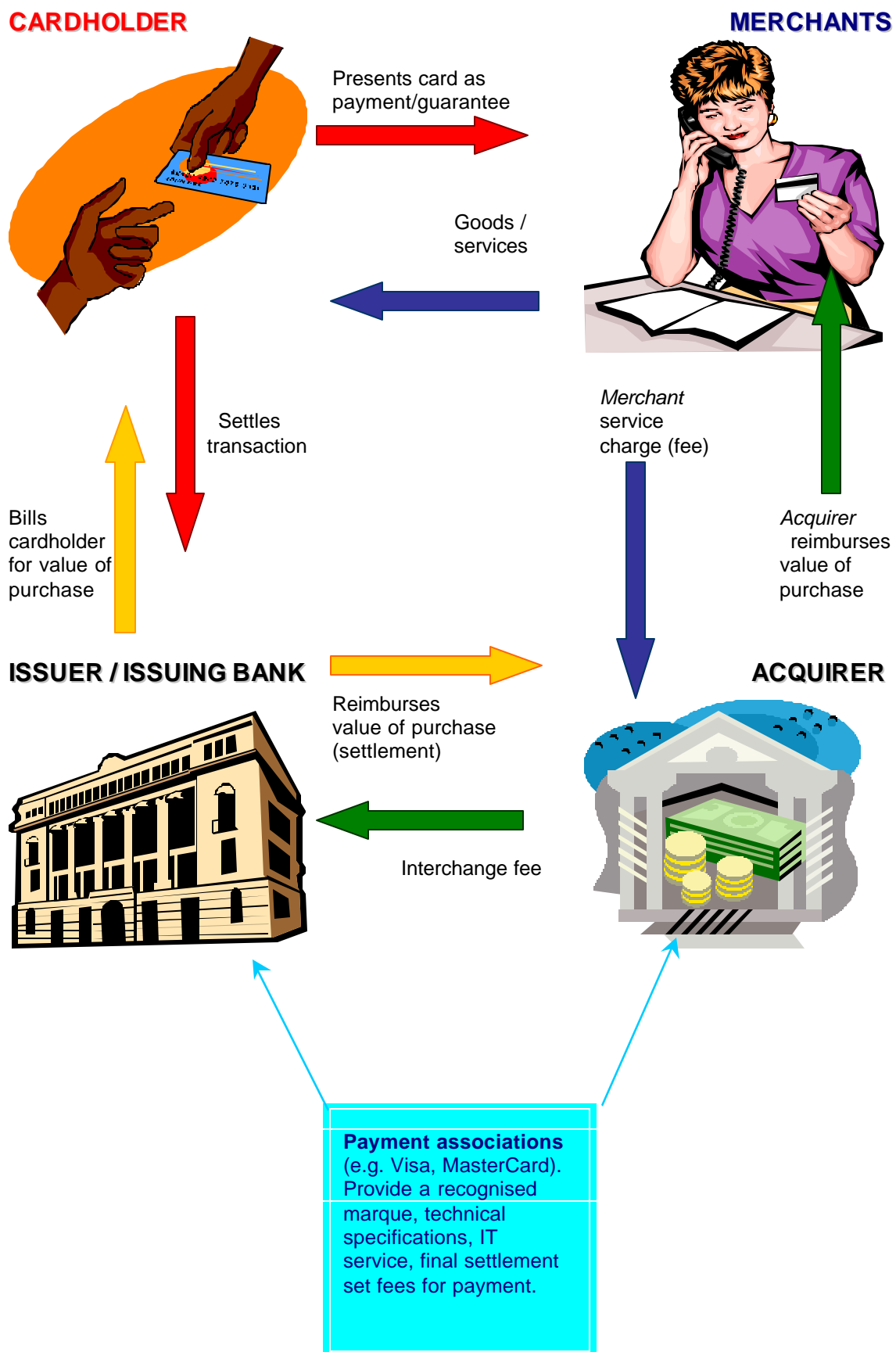
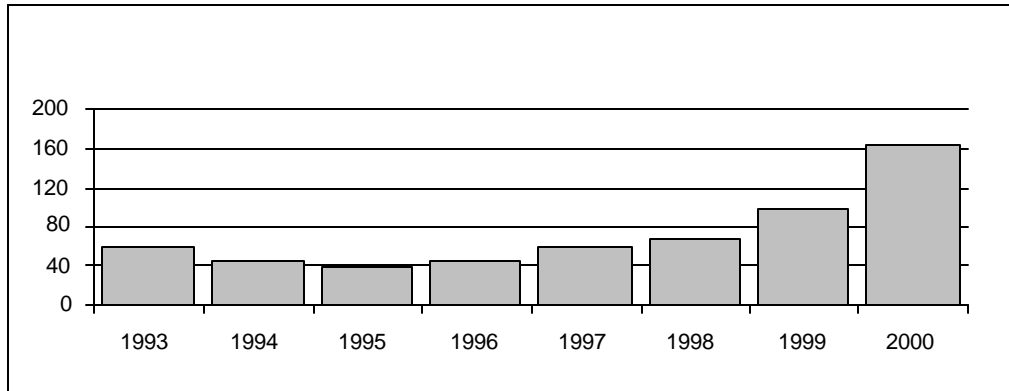


**Exhibit 1: The five players in the plastic card game**

## Exhibit 2: Credit card fraud in the UK, 1993-2000.

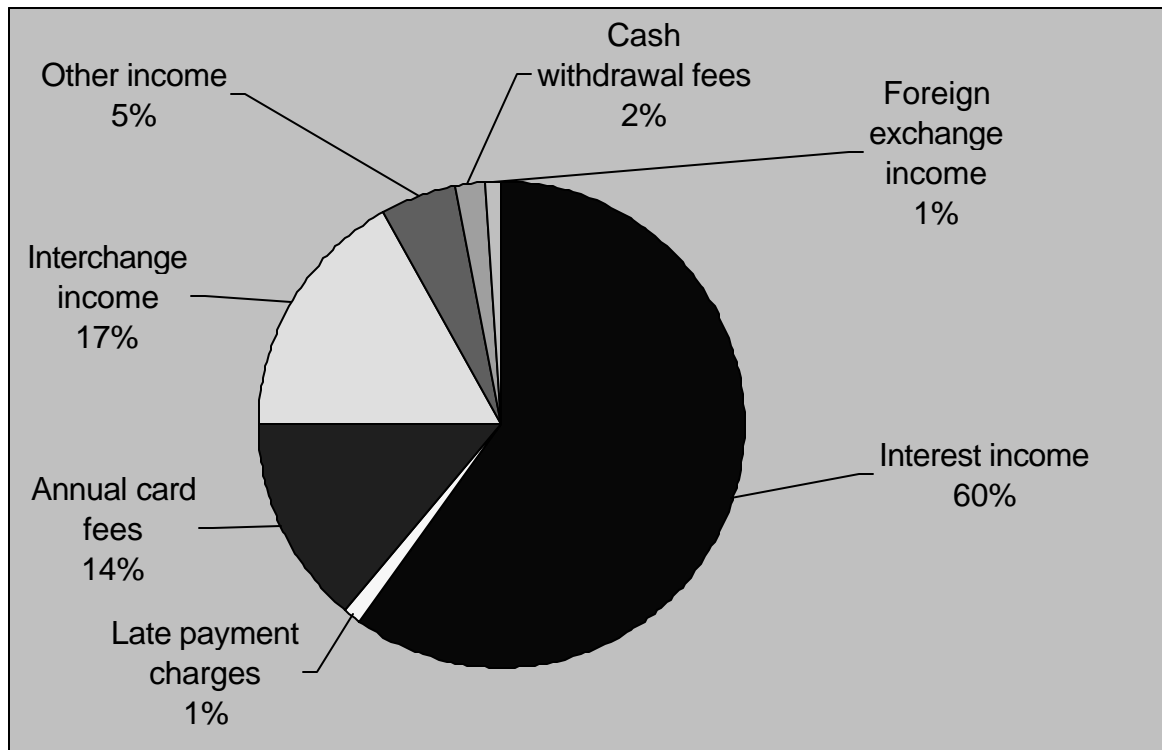
(£ million)



Source: APACS Plastic Card Review (2001).

### Exhibit 3: Average revenue stream for credit card issuers and processors

( Estimated average share of gross annual income by source of revenue for the 1990s)



Source: Visa International (2000).



**Exhibit 4: Barclaycard financial results, 1999-2003**

(£ million)

	Half-year ended								
	<u>30.6.99</u>	<u>31.12.99</u>	<u>30.6.00</u>	<u>31.12.00</u>	<u>30.6.01</u>	<u>31.12.01</u>	<u>30.6.02</u>	<u>31.12.02</u>	<u>30.6.03</u>
Net interest income	241	247	344	341	392	415	431	455	498
Net fees and commissions	231	249	255	269	281	298	320	376	380
Total Income	472	496	599	610	673	713	751	831	878
Total costs	(195)	(202)	(229)	(210)	(253)	(236)	(256)	(296)	(292)
Provisions for bad and doubtful debts	(82)	(88)	(136)	(168)	(164)	(210)	(181)	(221)	(205)
Operating profit	195	206	234	230	254	266	312	312	381

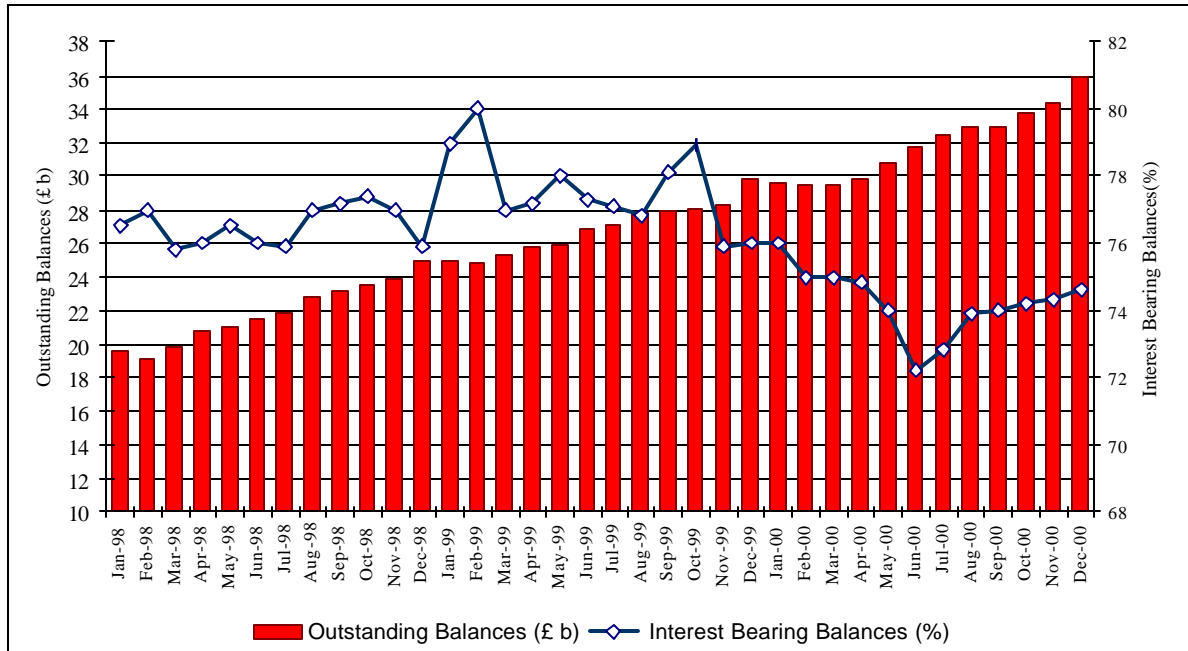
Source: Barclays PLC, Interim Results.

**Exhibit 5: Total number of credit cards issued in the UK, 1996-2002**  
(in thousands)

<b>Year</b>	<b>No. of credit cards in the UK</b>	<b>No. of Barclaycards</b>	<b>Market share %</b>
1996	32,541	9,000	28
1997	36,565	9,400	26
1998	40,106	9,400	23
1999	43,459	7,100	16
2000	49,705	7,900	16
2001	54,778	8,200	15
2002	60,802 <sup>e</sup>	9,700	16 <sup>e</sup>

e = estimates

**Exhibit 6: Monthly credit card outstanding balances in the UK and percentage of interest bearing balances in outstanding balances, 1998-2000**



Source: APACS.

## Exhibit 7: Barclaycard products and services, 2003

<b>Credit cards</b>	<ul style="list-style-type: none"><li>• <i>Standard credit cards:</i> Classic Card, Student Card, Graduate Card, Premiership Card</li><li>• <i>Special privilege cards:</i> Barclaycard Gold, Barclaycard Platinum, Barclaycard Open Plan (By linking a customer's current account, savings and mortgages, the new card offers 0 percent interest on purchases for 3 months)</li><li>• <i>Company Cards:</i> Corporate Card (e.g. BTI Corporate Card), Purchasing Card (e.g. HM Government Card), Business Card.</li></ul>
<b>Free user benefits</b>	<ul style="list-style-type: none"><li>• <i>Barclaycard Purchase Protection:</i> Goods are protected against theft and accidental damage for 60 days after purchase.</li><li>• <i>Barclaycard Extended Warranty:</i> Free 12 months extended warranty.</li><li>• <i>Travel Accident Insurance:</i> Free Travel Accident Insurance worth of £50,000 for each adult.</li><li>• <i>Nectar Points:</i> Rewards programme that allows cardholders to collect points from retailers.</li><li>• <i>Barclaycard Price Promise:</i> Find any item purchased on the card cheaper elsewhere and Barclaycard will refund the difference.</li><li>• <i>Internet Delivery Protection:</i> Goods purchased online are protected from loss or damage during transit.</li><li>• <i>Online Fraud Guarantee:</i> Online purchases are guaranteed against fraud.</li></ul>
<b>Advice</b>	<ul style="list-style-type: none"><li>• <i>International Rescue:</i> 24-hour emergency advisory service including lost card replacement and emergency cash advances.</li></ul>
<b>Online services</b>	<ul style="list-style-type: none"><li>• <i>Online Account Management:</i> Keeping track of spending; settling bills; requesting a credit limit increase; applying for a new PIN, cheque book or new card; contacting customer services.</li></ul>

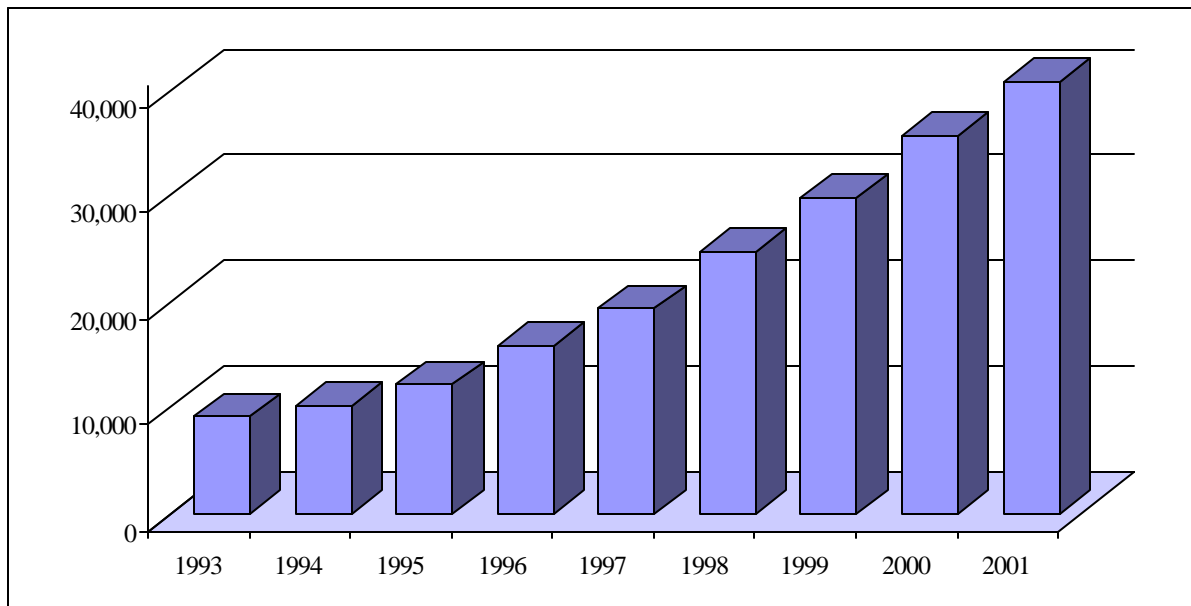


**Exhibit 8: Growth of transactions in the UK card market, 1991-2001**  
(million of transactions per year).

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>Debit Cards</b>	359	522	659	808	1,004	1,270	1,503	1,736	2,062	2,337	2,696
<b>Credit &amp; Charge Cards</b>	699	724	748	815	908	1,025	1,128	1,224	1,344	1,452	1,558
<b>Store Cards</b>	46	70	82	100	109	118	128	134	131	125	117
<b>All Card Purchases</b>	1,104	1,316	1,488	1,723	2,023	2,413	2,759	3,094	3,537	3,914	4,381
<b>Cash Withdrawals by Cards</b>	1,112	1,199	1,277	1,372	1,512	1,656	1,809	1,917	2,025	2,102	2,269

*Source:* APACS

**Exhibit 9: Outstanding balances on UK credit cards, 1993-2001**  
(£ thousands)



Source: Credit Card Research Group

## Exhibit 10: Credit card competitors, 2003

Issuer	Card Type	Annual Fee	Interest Free Days	APR	Bal.Trans. Int. <sup>1</sup>		Insurance	Travel Accident	Loyalty Scheme <sup>2</sup>
				on Purc. %	APR %	Period Days	Purchase Protect.		
Classic Credit Cards									
Barclaycard	V,M	0	56	11.9	0 - 6.9 <sup>3</sup>	Life <sup>4</sup>	60	£50k	Cashback, Nectar
HSBC	M	0	45	15.9	3.9	180	0	none	none
NatWest	V,M	0	56	17.4	4.9	Life <sup>4</sup>	0	£50k	Air Miles
LloydsTSB	V,M	0	56	17.9	5.9	Life <sup>4</sup>	0	none	none
HBoS	V,M	0	57	16.9	0	150	100	£100k	none
RBS	V,M	0	56	16.9	0	180	0	£50k	Air Miles
Goldfish	M	0	52	14.9-17.9 <sup>5</sup>	0-4.9 <sup>5</sup>	180	0	none	Goldfish
Tesco	V, M	0	56	14.9	0	Until 01/04	50	£50k	Clubcard Points
Egg	V	0	45	13.9	0	Until 03/04	0	none	Cashback
Smile	V	0	46	9.9-10.5 <sup>5</sup>	N/A	N/A	0	none	Cashback
MBNA	V,M	0	59	15.9	0	180	0	£50k	none
Amex Blue	Amex	0	56	18.9	9.9	Life <sup>4</sup>	90	£50k	Moneyback
Gold Credit Cards									
Barclaycard	V	0	56	11.9	0 - 6.9 <sup>3</sup>	Life <sup>4</sup>	60	£50k	Cashback, Nectar
HSBC	V	0	56	14.9	3.9	180	90	£100k	none
NatWest	V,M	0	56	16.4	4.9	Life <sup>4</sup>	100	£100k	Air Miles
Lloyds TSB	V,M	0	56	15.9	5.9	Life <sup>4</sup>	120	£100k	none
HBoS	V,M	0	57	14.9	0	150	100	£250k	none
RBS	V,M	0	56	16.9	0	180	100	£100k	Air Miles

**Source:** Website of each issuer; Accessed on 15 September 2003.

<sup>1</sup> The balance transfer rates and periods refer to the preferential rates offered to new customers with outstanding balances brought across from a different card issuer.

<sup>2</sup> Additional benefits such as purchase discounts, medical insurance, extended warranty and personal liability are not included for reasons of space.

<sup>3</sup> 0% APR applies only to customers who spend a minimum of £50 per month on their new Barclaycard. Those who do not use their Barclaycard during a particular month pay 6.9% APR on that month.

<sup>4</sup> For the life of the balance.

<sup>5</sup> These card issuers customise the card features according to customers.

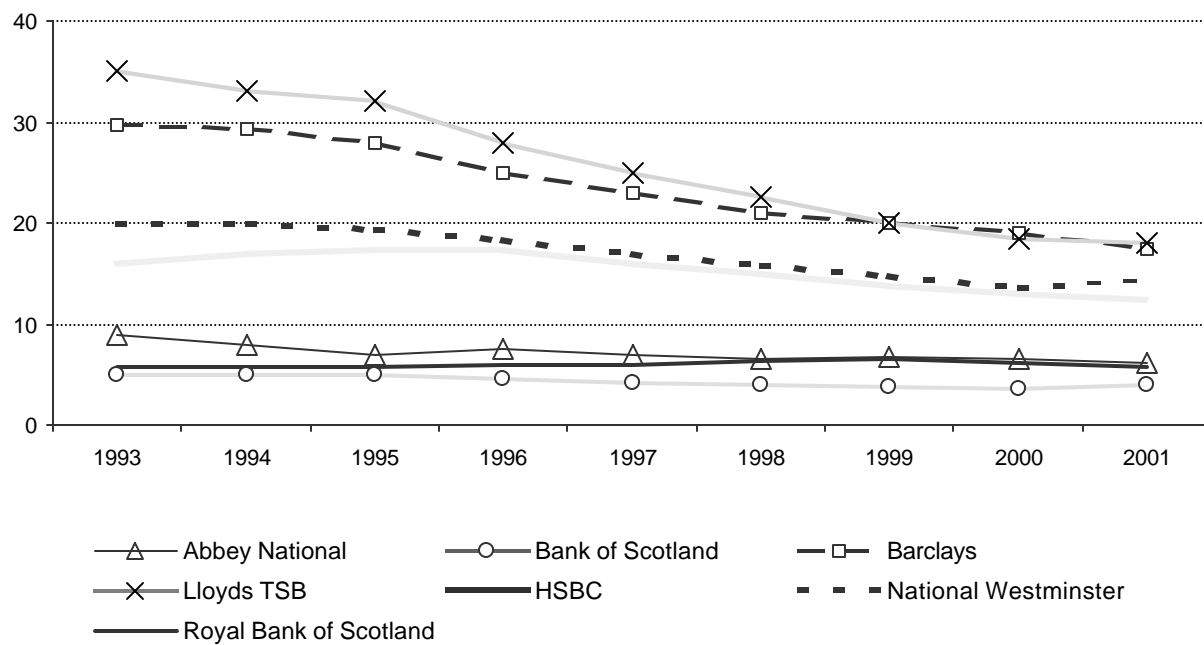
**Exhibit 11: Selected new players in the UK credit card market, 1990-2003.**

<b>Type of players</b>	<b>New Players in the UK market</b>	
Foreign entrants	American Express Citibank MBNA HFC Bank Capital One	Bank One <sup>1</sup> GE Capital Bank Providian Morgan Stanley
Non-financial institutions (Processed by)	Virgin (MBNA) GM Card (HFC Bank)	Accucard (London Scottish Bank).
Retailer credit cards (Marquee, Processed by)	Tesco (Visa, Royal Bank of Scotland) Sainsbury (Visa, Bank of Scotland/HBoS)	Marks & Spencer (MasterCard, Marks & Spencer) Harrods (MasterCard, GE Capital Bank).
Internet based card suppliers (Parent organisation)	Egg (Prudential) Marbles (HFC Bank) Smile (Co-operative Bank)	Cahoot (Abbey National) IF (Halifax/HBoS) Goldfish (Lloyds TSB <sup>2</sup> )

<sup>1</sup> = US-based Bank One sold its UK credit card business to the Halifax in June 2000.

<sup>2</sup> = Gas and electricity supplier Centrica sold its UK credit card business to Lloyds TSB in October 2003.

**Exhibit 12: Credit and debit card market share in the UK, 1993-2001**  
 (Per cent of total plastic cards issued)



Source: British Bankers Association